

Canyon Fuel Company, LLC  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542



July 14, 2006

Ms. Pamela Grubaugh-Littig  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

*Heaving*  
*1/007/0039*  
*task 2580*

RE: Revisions to Address Deficiencies for Degas Wells G-13 thru G-17 - Dugout Canyon Mine,  
Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of revision to the Methane Degassification Amendment to address the deficiencies associated with Degas Wells G-13 thru G-17. The deficiency list is attached with information as to where the deficiencies have been addressed within the permit amendment.

Due to the short drilling season and access problems which will arise because of weather we would appreciate a timely review and approval for Wells G-13 and G-14. Likewise, we will address any additional concerns associated with these wells in a timely manner.

A copy of this submittal has been delivered or mailed to the Price field office, the Price BLM office, the Salt Lake BLM office and SITLA.

If you have any questions please call me at (435) 636-2869.

Sincerely yours,

*Vicky S. Miller*

Vicky S. Miller

cc: Dave Spillman  
Pete Hess  
Stan Perkes  
Steve Rigby  
John Blake

Refer to Expandable 07142006  
file in C0070039. 2006. INCOMING  
for additional information

Refer to Confidential 07142006  
file in C0070039. 2006  
for additional information

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# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine

**Permit Number:** C/007/039

**Title:** Revisions to Degas Wells Amendment to Address Deficiencies for Wells G-13 thru G-17, Task ID#2456

**Description,** Include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☒ Yes ☐ No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: 10.5 ☒ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☒ Yes ☐ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?  
Explain: \_\_\_\_\_
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☒ Yes ☐ No 13. Does the application require or include collection and reporting of any baseline information?
- ☒ Yes ☐ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☒ Yes ☐ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☒ Yes ☐ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☒ Yes ☐ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☒ Yes ☐ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

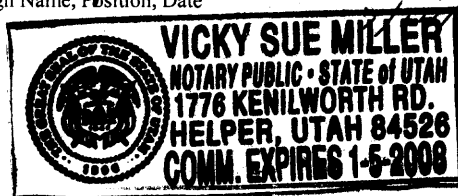
David Spillman  
Print Name

David Spillman, Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 14 day of July, 2006

Vicky Sue Miller  
Notary Public

My commission Expires: 1-5, 2008  
Attest: State of UTAH } ss:  
County of CARBON



**For Office Use Only:**

Assigned Tracking  
Number:

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# APPLICATION FOR COAL PERMIT PROCESSING

## Detailed Schedule Of Changes to the Mining And Reclamation Plan

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine

Permit Number: C/007/039

**Title:** Revisions to Degas Wells Amendment to Address Deficiencies for Wells G-13 thru G-17, Task ID#2456

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

**DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED**

[illegible]

**Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.**

7/14/06 The Degassification Amendment is a stand alone document, pages in this submittal will be incorporated into the existing binder. Except for the confidential information which will be placed in it's own binder.

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**Deficiency List**  
**Task ID #2456**  
**Degasification Wells G-13 through G-17**

R645-301-121.200, Although 42CB1595 is near the already approved G11 and G12 sites, the Permittee may want to include a clarifying statement on page 4-3 that this historic resource was not recommended as eligible for the NRHP.

*See Section 411.140 of the Degas Amendment*

- It is not clear whether Senulis (2005) surveyed all the roads or just a single road; the Permittee needs to clarify this in the MRP. The survey map does not delineate the survey area – it only delineates the proposed project. The Methods explains that the “access road was surveyed...”. For this amendment, the Permittee must clarify whether the access road was surveyed for G14.

*See confidential information provided for inclusion in Attachment 4-1 and Section 411.140*

- Remove the two paragraphs (pp. 3-6, 4-3, 4-4) discussing the applicability of biological and cultural information in previous EAs or apparently unrelated survey reports or clearly describe in these paragraphs that the impact analysis or surveys included the area and drilling of these specific degas holes. The Permittee must provide citations (including section and page numbers of the documents) if the Permittee chooses to retain these two paragraphs.

*Text has been revised and EA provided for inclusion into the confidential folder as Attachment 3-3.*

- Provide the correct date for the Senulis citation (p. 4-4).

*Unable to identify citation referenced.*

- Clarify the incomplete sentence concerning vegetation.

*Unable to identify sentence referenced.*

- Table 3-1 provides a list of degas wells with their associated reference areas. The reference area titles in the table, however, do not match the reference area titles provided on Fig. 3-1. The Permittee must provide clarification so the table and map reference area titles match. Also, accurately assign the degas hole numbers to the correctly titled reference areas.

*Table 3-1 and Figure 3-1 have been corrected.*

- The Permittee included wording that implies that the company is not committed to the liability period for G11 and G12 based on the request of the landowner (March 16, 2006 submittal pp. 3-20, 4-3, 4-4, 5-15). The Permittee must clarify this assumption by either removing the inference or providing a post mine land use change that would allow the release of the liability obligation, such as changing to commercial. If the Permittee chooses to provide a PMLU change, as discussed in a previous meeting over this change (2006), the Permittee must include the following:
  - 1) Provide a letter from the landowner clearly stating the intended PMLU for the G11 and G12 degas pads.

- 2) Provide a description in the plan clearly stating the intended PMLU for the G11 and G12 degas pads, including a discussion of the following:
  - a. Size of disturbance including access,
  - b. Proportion of area that was pre-disturbed,
  - c. Size of the disturbance is approximately the same as need for the intended PMLU.
- 3) Provide a description of the liability period and obligations prior to release of the liability period for G11 and G12 including the following:
  - a. Cover estimate of the native grasses (as reseeded),
  - b. Sediment loss and stability estimates using the RUSLE equation (or other equivalent analysis),
  - c. Pictures during growing seasons both prior to disturbance and following reclamation.

Correspondingly, the Permittee must clarify the contradictions on the recontouring and reclamation of G11 and G12 that are on pages 5-15 with 5-13, Fig. 5-26, and Title page for Att. 5-1. (JAE)

*Information has been submitted with strikethrough markings for removal upon approval of this amendment. Refer to the text of Chapters 2, 3, 4 and 5.*

R645-301-333, The Permittee probably has conducted the 2006 raptor survey. For the G13-G17, the Permittee must provide the summary of the 2006 raptor survey. The Division is concerned of whether nest 424 is active because one of the proposed drill sites is within the 0.5-mile buffer zone. This concern is more than likely a moot point if the Permittee plans to begin drilling after July 15<sup>th</sup>.

- The 2006 proposed degas well project, especially G13 and possibly G14, is in an area that may include habitat for the northern saw-whet owl (NSO) and northern goshawk. The Permittee must either provide ground-truthing from DWR stating that this proposed project does not include NSO habitat, conduct a NSO calling survey by an approved surveyor prior to drilling, or confirm that drilling will not begin during the exclusionary period.
- The Division reminds the Permittee to submit raptor results as confidential when submittals include maps or descriptions of raptor nest locations. (JAE)

*Refer to Sections 322.200, 333 and confidential information for inclusion in Attachment 3-3 of the confidential binder,*

R645-301-411.140, The Division can not make a determination of whether this drill project would have an effect to historic resources because the 2005 Class III survey did not provide or clearly describe the results for G-15 through G-17 drill sites or the associated roads. The Permittee must provide the baseline information. (JAE)

*See Section 411.140 of the Degas Amendment and confidential information for inclusion in Attachment 4-1 of the confidential binder provided.*

R645-300-112.400, The Permittee needs to provide a FIGURE 5-16, TYPICAL WELL DESIGN (See Task ID #1642) for the Task ID #2456 application. (PHH)

*Figure is provided in Chapter 5.*

R645-301-542.600, the Permittee must clarify whether the 350 feet of road which was re-aligned to develop well site G-13 will remain in its re-aligned location, or if the re-aligned road will be reclaimed and the road restored to its original location. (PHH)

*Plans have changed and currently the road at well site G-13 will not be realigned.*

R645-301-527.200, the Permittee must include a detailed description of each road to be constructed within the permit area. This must include specifications for road width, road gradient and road surfacing material for each road that must be constructed, (relocated road associated with G-13, 45 feet of road to access G-15, and 500 feet of road to access G-16). Methods of construction must be included. Methods of topsoil recovery and salvage must be included. Drainage controls must be discussed. (PHH)

*Refer to Section 527.200 and 732.400. No road construction has ever been planned or suggested for well site G-15, the access to the site is a pre-existing road, as is the road to access well site G-14.*

R645-301-728.310, The Permittee needs to include findings as to whether adverse impacts may occur to the hydrologic balance due to the installation of the gob gas vent holes or provide a reference as to where that information can be found in either the Methane Degasification Amendment or the approved MRP. (SKC)

*Refer to Section 728.300.*

R645-301-728.331, The Permittee needs to address what probable hydrologic consequences related to sediment yield may result from the gob vent hole installations or provide a reference to where that information can be found in either the Methane Degasification Amendment or the approved MRP. (SKC)

*Refer to Section 728.300.*

R645-301-728.334, The application does not adequately address potential ground and surface water availability issues that could arise in connection with the gob gas vent hole construction. On page 7-5, the application states, "during drilling of the wells, the groundwater encountered will be affected." The application does not expand on how the groundwater may be affected. The Permittee should address what affects the gob vent hole construction may have on ground-water and surface-water availability or provide a reference to where that information can be found in either the Methane Degasification Amendment or the approved MRP. (SKC)

*Refer to Sections 728.300 and 322.200.*

R645-301-731, R645-301-732 and R645-301-742.400, The Permittee needs to provide drawings for the proposed access roads. The drawings should reflect the elements of the design: drainage designs, erosion/sediment controls, proximity to stream channels, physical dimensions, slopes, etc. (SKC)

*Refer to Sections 527.200, 542.600, 732.400, 742.200, 742.400, Figure 5-14, Attachment 5-1 (Figures 1, 2 and 3 for each well).*

R645-301-731, R645-301-732 and R645-301-742.400, The Permittee should clarify which gob vent holes will require new access road construction as well as provide a written description as to the road construction itself: amount of disturbance, drainage designs, erosion/sediment controls, proximity to stream channels, physical dimensions, slopes. etc. (SKC)

*Refer to Sections 527.200, 542.600, 732.400, 742.200, 742.400, Figure 5-14, Attachment 5-1 (Figures 1, 2 and 3 for each well).*

R645-301-731.600, The Permittee should identify which of the intermittent drainages directly adjacent to the proposed gob vent sites are within 100 feet and commit to maintaining a stream buffer zone in those instances. (SKC)

*Refer to Section 731.600.*

R645-301-742, The Permittee needs to provide the Division with a description of the sediment controls that will be utilized in connection with the access road construction. (SKC)

*Refer to Sections 527.200, 542.600, 732.400, 742.200, 742.400, Figure 5-14, Attachment 5-1( Figures 1, 2 and 3 for each well).*

R645-301-742.212, The Permittee should include language in the application that provides for the installation of the siltation structures prior to beginning construction of the drill pads and access roads as required. (SKC)

*Refer to Section 742.200.*